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FAX MEMO

To: Anthony Gallegos
Utah Division of Oil, Gas and Mining
Fax: (801)359-3940

From: Bob Prescott
Summo USA Corporation
Phone: (435)259-3077

Date: May 6, 1998

Tony,

I have asked our Denver office to send you some information sheets on the Lisbon Valley Copper Project. However, in the event you need something even more brief, I will attempt to give you a description here.

LISBON VALLEY COPPER PROJECT

Four low grade copper deposits will be mined by open pit methods over a period of ten years. The ore consists of mixed copper carbonates and sulfides disseminated in cretaceous sandstone beds. Roughly 12,000 tons of ore, grading 0.424% copper, will be mined per day along with 27,000 tons of waste rock. The ore will be crushed in two stages to 1.5 inches and conveyed to a plastic-lined leaching pad where it will be heap-leached with dilute sulfuric acid. The copper-bearing solution exiting the heap will be treated in a solvent extraction/electrowinning plant, which will produce 40 million pounds per year of 99.99% pure copper cathodes for shipment to fabricators. All process solutions will be recycled.

The project is located in Lisbon Valley in San Juan County on a mixture of BLM, state and private land. All required state environmental permits were issued and the BLM completed an Environmental Impact Statement and issued a Record of Decision approving the project in early 1997. Environmental organizations appealed the BLM decision to the Interior Board of Land Appeals, which issued a stay of mining until the appeal is resolved. After further studies, the BLM chose to stand by the Record of Decision. A final ruling from the board is expected in the near future. Construction of the processing facilities will require about one year.

Regards,

